



Written Testimony

of

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Is There a Doctor in the Mouse:
Using Information Technology to Improve Healthcare

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Mr. Chairman and members of the Committee, on behalf of the Healthcare Information and Management Systems Society (HIMSS), I want to thank you for this opportunity to provide my views on how the federal government can use its healthcare buying power to influence the transformation of health care delivery using technology.

For over 45 years, members of the Healthcare Information and Management Systems Society (HIMSS) have focused on providing visionary leadership for the optimal use of health information technology and management systems for the betterment of human health. Our 17,000 individual members include providers, payers, insurers, consultants, management engineers, technology and electronic health records vendors, government and public health officials, manufacturers, academics, consumers and students; and our 275 corporate members employ more than 2 million people focused on transforming healthcare. Working collaboratively, our goal will always be to frame and lead healthcare public policy and industry practices through our award-winning advocacy, educational and professional development initiatives designed to promote quality improvements in healthcare for all.

I am a member of HIMSS and I also have the pleasure to serve as the Executive Director of the Center for Information Technology Leadership (CITL). CITL was chartered in 2002 by Boston-based, nonprofit Partners HealthCare System as a research organization established to help guide the healthcare community in making more informed strategic IT investment decisions. Using a rigorous, analytic approach, CITL assesses information technologies, disseminates its research findings, and provides additional services designed to help healthcare providers realize greater value and improve quality of care. CITL's research is also used by technology vendors to develop more effective healthcare IT products. HIMSS and CITL are pleased to be collaborators and work closely together on initiatives to advance solutions in the healthcare industry.

I am honored to be here with you and I appreciate your interest in this important topic – one that has the potential of transforming US healthcare delivery, and the quality of life for every American.

You invited me here today to talk about the value of investing in technology to improve the quality of healthcare. This is a topic that is near and dear to my heart.

Today, healthcare executives are under tremendous pressure to address a host of healthcare system ills including medical errors, rising costs, inconsistent quality and unwarranted variation in care, inefficiency in care delivery, declining job satisfaction among healthcare professionals, and mounting staff shortages in critical areas such as nursing and pharmacy.

Treating these ills will lead ultimately to better healthcare, but the process for realizing these goals appears as complex and overwhelming as the challenges themselves.

Many senior leaders seek to address healthcare system complexity and inefficiency with information technology (IT). Information – or the lack of it – is a big part of these problems. I believe that the application of healthcare IT is central to transforming healthcare in this country. I have spent the majority of my professional life studying how information technology may improve healthcare delivery, and building electronic health records in a public company, and in academic delivery systems. We believe the application of healthcare IT is critical to our future at Partners Healthcare and the Harvard teaching hospitals, Massachusetts General Hospital, and the Brigham & Women's Hospital, and it our CEO's number one priority. The Institute of Medicine highlighted IT as integral to improving healthcare in its seminal report Crossing the Quality Chasm.

Our studies at the Center for IT Leadership at Partners Healthcare in Boston have analyzed the value of healthcare IT for individual doctors, and society at large. In our study on The Value of Ambulatory Computerized Provider Order Entry, or ambulatory CPOE, we found that if every clinic in the country adopted advanced CPOE systems – the critical decision support tool within electronic health records – we could potentially save \$44 billion dollars per year. These savings are achieved through reduced unnecessary and duplicative ordering of tests and procedures, improved medication utilization, and reduced medical errors. This study, however, is akin to analyzing the value of a computerized financial accounting system in one bank, without consideration of ATM banking networks. Our study of the value of ambulatory CPOE did not address the value which arises when doctors' offices, hospitals, and healthcare delivery systems can securely and reliably share healthcare information. We believe these potential savings are, in fact, conservative as they do not reflect benefits which will arise from improved preventive and wellness care nor the positive impact on chronic disease management.

Our second study at the Center for IT Leadership analyzed the value that arises when different clinic and hospital electronic health record systems can securely share information – The Value of Healthcare Information Exchange and Interoperability, or "HIEI". HIEI refers to the technologies that enable the electronic flow of patient information between healthcare settings, such as the doctor's office, the hospital, the laboratory site, the retail pharmacy, and public health departments. While individual organizations are making progress in digitizing administrative transactions (thanks largely due to the Administrative Simplification Subsection of HIPAA), and providing clinical information to clinicians within healthcare settings, the exchange of clinical information between healthcare settings is practically non-existent.

To determine the value in adopting HIEI, the Center for Information Technology Leadership examined the value of transactions among the main stakeholders in patient care and projected the value for each, at different levels of sophistication. Our primary finding was that moving to standardized HIEI would deliver \$77.8 billion in annual savings in the United States. Let me say that again, by helping the healthcare system move to standardized HIEI, annual U.S. savings would be \$77.8 billion. These savings are in addition to the savings which arise from digitizing individual hospitals and clinics; but they only arise if each of those settings adopts healthcare information technology

which abides by the standards which facilitate interoperability. Again, we feel these potential savings estimates are conservative and do not reflect the potential for improved disease and syndrome surveillance, bioterrorism detection and response, improved post-marketing surveillance for new drugs, and dramatic improvements in the clinical research capacity in this country – of critical importance as we enter into a new era of personalized care with our increased understanding of the human genome.

Other conclusions from our HIEI study include:

- Standardized HIEI provides quicker and more dramatic returns than non-standardized HIEI.
- Healthcare providers – physicians and hospital systems – would have an annual potential savings of \$33.5 billion with full implementation of standardized HIEI.
- Other stakeholders, such as labs, payers, and pharmacies, and public health, would also benefit from standardized HIEI.

President Bush has recognized the need to improve healthcare quality and on April 24, 2004, issued Executive Order 13,355 to reduce medical errors, lower costs and provide better information for consumers and physicians. He also appointed a National Coordinator of Health Information Technology – Dr. David Brailer – who established a plan for most Americans to have an electronic health record within 10 years. In particular, the President called for the widespread adoption of electronic health records (EHRs) and for health information to follow patients throughout their care in a seamless and secure manner. I applaud and commend the President for his vision. DHHS Secretary Michael Leavitt, and Secretary Tommy Thompson before him ‘get it’; the work done by the Office of the National Coordinator for Healthcare IT (ONCHIT) has mobilized both the public and private sector to respond to this challenge. The requests for proposals recently released to develop a reference architecture for a national healthcare information network, to implement a certification process for electronic health records technology, to harmonize our standards development efforts, and to coordinate state laws and business practices for healthcare information privacy, security, and exchange policies, will help the HIT market move toward this goal.

So what can you do to help promote a solution to this challenge?

1. We believe that there needs to be some form of low interest loan program for small physicians’ offices and small-medium hospital environments to come up with the capital to buy HIT. Suggestions include tax credits, an HIT loan program akin to other business loans, or grants as other countries (and some U.S. payers) have done.
2. We believe that there need to be direct rewards for using HIT. This could be a small bonus payment for electronically filed claims with appropriate record attachments (in electronic form, of course), or select data elements as defined by CMS or NQF or NCQA to monitor care processes and quality of care.
3. We believe that there need to be indirect rewards for using HIT -- that is not direct payment for using HIT as in #2 above, but pay-for-performance (P4P) type rewards with strict criteria that almost force the use of electronic health records.

For many years, the US healthcare system has been plagued by a "ready, fire, aim" mentality. We have looked at adjusting reimbursement systems without first investing in the measurement tools to better understand what behaviors we should be reimbursing for. Now is the time to begin to address this problem by putting in place the infrastructure that will help us better understand what quality in healthcare really looks like and to begin to reward physicians for delivering it. There is no more important task for us today than creating a robust HIT infrastructure in the U.S.

In conclusion, HIMSS believes that if the federal government waits, our nation will postpone benefits that much further into the future. We need to act collectively now. We need to accelerate EHR adoption now. We need to be smart about how we do it so we can make adjustments as we go, but waiting kills people and costs money. **We need to prudently apply money to the challenge to support EHR adoption.** To somewhat paraphrase that great line from "Hello Dolly"... "money is like manure...you need to sprinkle it around and help things grow".

I am honored to speak on behalf of HIMSS today.. HIMSS has been working collaboratively with all interested stakeholders for over 45 years to improve healthcare for all by using information technology and management systems solutions. We look forward to continuing to help you find a solution to this healthcare challenge.